

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-10 IO-10 ISO-00 USIE-00 AGR-10

CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02

FEAE-00 OMB-01 AF-06 ARA-10 NEA-09 /135 W

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P 121230Z FEB 75

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 627

INFO AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS SECTION 1 OF 3 GENEVA 0904

PASS USIA/IWE AND IPS FOR ALLEN

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: AMB. MALMGREN'S PRESS CONFERENCE FEB. 11

1. FOLLOWING ARE EXCERPTS FROM THE FEBRUARY 11 JOINT
PRESS CONFERENCE IN GENEVA HELD BY AMBASSADOR HARALD
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B. MALMGREN AND CONGRESSIONAL ADVISERS TO THE US

DELEGATION TO THE MEETING OF THE MTN TRADE NEGOTIATING COMMITTEE. APPROXIMATELY 30 US AND FOREIGN MEDIA REPRESENTATIVES ATTENDED THE PRESS CONFERENCE AT THE US DELEGATION HEADQUARTERS SHORTLY BEFORE THE OPENING SESSION OF THE TNC. (CONGRESSIONAL ADVISERS ARE CONGRESSMEN AL ULLMAN, BARBER B. CONABLE, JR., WILLIAM J. GREEN AND SENATOR WILLIAM V. ROTH, JR.).

2. BEGIN EXCERPTS:

AMBASSADOR MALMGREN: I THINK THE PRESENCE OF THE CONGRESS WITH ME TODAY AND WITH MY DELEGATION IS AN INDICATION OF THE NEW KIND OF APPROACH THE UNITED STATES WILL BE TAKING IN THE FIELD OF TRADE POLICY AND TRADE TALKS. THE TRADE LAW, FOR ALL OF WHAT IT SAYS AND DOESN'T SAY, BASICALLY WILL DEPEND IN PRACTICE ON THE INTERWEAVING OF CONGRESSIONAL EXECUTIVE RELATIONS. WE WILL HAVE A NEW ALLIANCE, SO TO SPEAK, BETWEEN THE EXECUTIVE AND THE CONGRESS AND WE WILL WORK CLOSELY; WE WILL HAVE CONGRESSIONAL STAFF PEOPLE IN THE MEETINGS, WE WILL HAVE TODAY THE CONGRESSMEN AND THE SENATOR IN THE NEGOTIATING ROOM WHICH WE'VE NEVER DONE BEFORE IN THE HISTORY OF THE UNITED STATES. IN THIS WAY WE WILL BE WORKING TOGETHER AND WHEN WE'RE IN TROUBLE, WE'LL KNOW WE'RE IN TROUBLE TOGETHER AND WHEN WE'RE SUCCESSFUL ON SOMETHING IN TERMS OF U.S. INTERESTS, WE'LL KNOW TOGETHER WHERE WE STAND.

CONG. ULLMAN: I WOULD JUST LIKE TO REINFORCE WHAT YOU'VE SAID ABOUT CONGRESSIONAL INVOLVEMENT. ONE OF THE CRITICISMS IN THE PAST HAS BEEN THAT THE NEGOTIATORS WEREN'T ALWAYS ABLE TO SPEAK FINALLY BECAUSE THEY HAD TO GO BACK TO THE CONGRESS. WELL, WE STILL HAVE TO GO BACK TO THE CONGRESS, BUT IF WE HAVE MEMBERS FROM THE COMMITTEES OF THE SENATE AND THE HOUSE HERE, I THINK WE ARE IN A MUCH BETTER POSITION TO GO BACK TO THE CONGRESS AND GET ACTION. AND WE HAVE VERY SPECIFIC PROCEDURES BUILT INTO THE TRADE ACT THAT WILL PROVIDE FOR RAPID ACTION IN THE CONGRESS TO CARRY

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OUT THE PURPOSES OF THE TRADE NEGOTIATION. AND WE HAVE IN THE WAYS AND MEANS COMMITTEE A SPECIAL SUB-COMMITTEE CHAIRED BY CONGRESSMAN GREEN OF PENNSYLVANIA, AND IT WILL HAVE VERY SPECIFIC SURVEILLANCE OVER THE TRADE NEGOTIATIONS AND WILL BE PARTICIPATING BOTH THROUGH THE MEMBERS OF THE SUB-COMMITTEE AND THE STAFF IN YOUR NEGOTIATIONS HERE. WE ARE NOT DOING THIS IN ANY WAY TO BE OBSTRUCTIVE; WE'RE DOING IT TO BE CONSTRUCTIVE

TO MAKE IT MORE MEANINGFUL, AND TO TRY AND MAKE SURE THAT THIS TRADE ROUND OF TRADE NEGOTIATIONS IS ONE THAT DOESN'T PUT A LOT OF THINGS UNDER THE RUG BUT REALLY TENDS TO COME TO GRIPS WITH THE BIG TRADE ISSUES OF OUR TIME.

IN THE NEW CIRCUMSTANCES THROUGHOUT THE FREE WORLD NOW, THE NONTARIFF BARRIER AREA PROBABLY IS MORE SIGNIFICANT THAN IT'S EVER BEEN IN THE PAST. WE DON'T WANT TO MINIMIZE THE IMPORTANCE OF TARIFFS BUT I THINK WE WANT TO INDICATE OUR FEELING THAT UNLESS WE'RE WILLING TO FACE UP TO THE HARSH ISSUES OF NON-TARIFF BARRIERS WE REALLY ARE NOT GOING TO BUILD A VIABLE TRADING SYSTEM IN THE FREE WORLD, AND THAT'S REALLY WHAT THIS IS ALL ABOUT. THANK YOU.

SEN. ROTH: SPEAKING FOR THE SENATE I WOULD LIKE TO RE-EMPHASIZE WHAT HAS ALREADY BEEN SAID. I THINK FIRST OF ALL IT IS IMPORTANT TO NOTE THAT CONGRESS BY A BROAD MARGIN HAS ADOPTED LEGISLATION GIVING A VERY BROAD MANDATE TO THE EXECUTIVE BRANCH, TO GO IN THE DIRECTION OF LIBERALIZING TRADE; IT'S REALLY UNPRECEDENTED AUTHORITY THAT HAS BEEN GIVEN IF YOU LOOK AT, FOR EXAMPLE, THE ARE OF CUTTING TARIFFS . . .

I'VE HEARD SOME QUESTIONS RAISED CONCERNING WHAT WOULD HAPPEN IN THE EVENT OF A FUTURE CHANGE OF ADMINISTRATION OR THE EFFECTS OF AN ELECTION YEAR, AND I THINK IT IS IMPORTANT TO POINT OUT THAT THE SUPPORT OF THE LEGISLATION WAS VERY BROAD-GAUGED FROM BOTH SIDES OF THE POLITICAL ISLE AND FROM ALL SIDES OF THE POLITICAL SPECTRUM. SO I JUST IN CLOSING WOULD SAY THAT WE'RE HOPEFUL THAT THE OPENING NEGOTIATIONS THIS AFTERNOON WILL BE AN UNCLASSIFIED

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HISTORIC EVENT AS WE LOOK BACK ON IT IN YEARS AHEAD.

AMB. MALMGREN: OUT OF THE VARIOUS STATEMENTS (MADE AT THE TNC) THERE WILL COME A CERTAIN CONSENSUS THAT THE DIRECTOR GENERAL OF THE GATT AS CHAIRMAN OF THIS COMMITTEE WILL PUT TOGETHER AS AN AGENDA FOR WORK IN COMING WEEKS. AS MATTERS STAND RIGHT NOW, I DON'T THINK WE'RE GOING TO HAVE ANY GREAT DIFFICULTIES IN RACHING AGREEMENT ABOUT HOW TO GET THE WORK GOING. AND THERE ARE SOME QUESTIONS I'S SURE YOU ARE AWARE OF BETWEEN US AND THE COMMUNITY ABOUT HOW TO HANDLE AGRICULTURE, BUT I DO BELIEVE, WITH A CERTAIN AMOUNT OF GOOD WILL ON BOTH SIDES, THAT THAT ISSUE CAN BE DEALTH WITH AND THAT THERE WILL BE AN EXPEDITIOUS START.

QUESTION: (BUSINESS WEEK): I'D LIKE TO KNOW HOW THE
COORDINATION OF THE CONGRESSIONAL GROUP AND THE
NEGOTIATING TEAM HERE IS GOING TO FUNCTION IN PRACTICE,
AND HOW THAT WILL RELATE TO THE PROCEDURES WHICH
ARE GOING TO BE GOING ON IN WASHINGTON INVOLVING THE
INTERNATIONAL TRADE COMMISSION AND THEN EVENTUALLY
CONGRESSIONAL HEARINGS AND ALL THE OTHER THINGS THAT
ARE GOING ON IN WASHINGTON.

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P R 121230Z FEB 75

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 628

INFO AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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PASS USIA/IWE AND IPS FOR ALLEN

AMB. MALMGREN: WE HAVE A MAJOR MANAGEMENT PROBLEM WITH ALL THE THINGS YOU'VE MENTIONED, BUT FIRST LET ME JUST EXPLAIN IT IF I CAN IN A BOILED DOWN FORM. FIRST OF ALL BETWEEN THE EXECUTIVE AND CONGRESS WE HAVE BEEN WORKING NOW FOR QUITE A WHILE WITH THE TARIFFS OF THE WAYS AND MEANS COMMITTEE AND THE FINANCE COMMITTEE ON UNCLASSIFIED

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WHAT THE ARRANGEMENTS SHOULD BE...WE ARE ARRANGING MEETINGS EACH WEEK BETWEEN THE EXECUTIVE AND THE STAFFS TO BRIEF EACH OTHER ON WHAT THE FILED OF CONGRESS IS AND WHAT WE'RE DOING IN THE EXECUTIVE AS MUCH AS WE CAN. WE'LL HAVE TO MAKE ARRANGEMENTS WITH THE FIVE ADVISERS FROM THE HOUSE AND THE SENATE EACH, FOR SOME KIND OF MEETINGS FROM TIME TO TIME TO GO OVER THE ISSUES. BUT WE HAVEN'T SO FAR SET THAT UP. WITH THE ADVISORY BODIES AND WITH THE TRADE COMMISSION WE HAVE A LOT OF PROCEDURE TO GO THROUGH. WE HAVE A REVIEW BY THE INTERNATIONAL TRADE COMMISSION ON NEARLY EVERY INDIVIDUAL ITEM (IN THE US TARIFF SCHEDULES)...WE HAVE SET UP TWENTY-SIX INDUSTRIAL ADVISORY BODIES, ABOUT FIFTEEN COMMODITY GROUPS IN AGRICULTURE, AND SOME LABOR ADVISORY BODIES WHO WILL BE GIVEN ADVICE AND STATISTICS AND MATERIAL THAT THEY FEEL IS IMPORTANT. WE HOPE IN THIS WAY TO GET THE BEST EXPERTISE POSSIBLE.

QUESTION: REUTERS: DO YOU ANTICIPATE THE NEGOTIATIONS WILL CONTINUE THROUGHOUT THE PRESIDENTIAL CAMPAIGN PERIOD OF 1976?

AMB. MALMGREN: A DATE WAS SET A LONG TIME AGO TO TRY TO COMPLETE THE ACTIVITY BY THE END OF 1975. THAT WAS SET AT A TIME WHEN PEOPLE EXPECTED THE AMERICAN MANDATE TO BE AVAILABLE SOONER THAN IT WAS FINALLY. AND ALSO AT A TIME WHEN ECONOMIC UNCERTAINTIES WEREN'T QUITE AS GREAT AS THEY ARE NOW. HOWEVER, BE THAT AS IT MAY, NO MAJOR GOVERNMENT REALLY WANTS TO CHANGE THAT TARGET RIGHT NOW. I THINK THE FEELING IS...LET'S MAKE THE YEAR OF 1975 AN EFFECTIVE NEGOTIATING YEAR BECAUSE IF WE DON'T DO SOMETHING REAL AND EFFECTIVE, COUNTRIES WILL NOT TAKE THE ACTIVITY SERIOUSLY AND THEN THERE WILL BE A LOT OF NATIONAL PRESSURES TO DO OTHER THINGS IN THE TRADE POLICY FIELD, AND THAT WOULD BE SOMETHING THAT EVERYBODY WANTS TO AVOID...I THINK IF SOMEBODY SAID, WELL, THIS IS GOING TO TAKE THREE YEARS VERSUS ONE, YOU MAKE A JUDGEMENT; AND MY ANSWER WOULD BE, DO WHAT CAN BE DONE QUICKLY; SOME THINGS WILL TAKE TIME...

I WOULDN'T LOOK AT THE PRESIDENTIAL ELECTION AS BEING A
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FENCE IN ANY WAY AROUND THIS NEGOTIATION ANY LONGER. NOT
UNDER THIS LAW.

QUESTION: FINANCIAL TIME: THE TRADE BILL COUNTRIES
OR OTHER MEMBERS OF PRODUCER GROUPS. WILL YOU BE
PROPOSING IN GATT ANY SYSTEM OF SANCTIONS OR SUSPEN-
SIONS OF CONCESSIONS TO THESE COUNTRIES?

AMB. MALMGREN: NO, I THINK THE GENERALIZED SCHEME
OF PREFERENCE ORIGINALLY WAS CONCEIVED BETWEEN THE
DEVELOPED AND DEVELOPING COUNTRIES AS AN ACTION BY
EACH DEVELOPED COUNTRY UNILATERALLY TO IMPROVE THE
ACCESS TO THAT MARKET FOR THE PRODUCTS OF DEVELOPING
COUNTRIES. IT WASN'T CONCEIVED AS A NEGOTIATING PLOY
EITHER BY THE DEVELOPED OR DEVELOPING COUNTRIES. WE
CERTAINLY WILL CONSULT WITH THE DEVELOPING COUNTRIES
ABOUT HOW IT EVOLVES, HOW TO MAKE IT MEANINGFUL, BUT
I DON'T THINK WE WANT TO DRAG THAT INTO THE MIDDLE OF
A NEGOTIATING CONTEST...WE DO, HOWEVER,
UNDER THIS LAW, WANT TO DEAL WITH THE QUESTION
OF SUPPLY OF RAW MATERIALS IN GENERAL
TERMS, AND EXPORT CONTROLS, AND ALL THESE RELATED
ISSUES. THAT'S VERY CLEAR IN THIS LAW MANY
DIFFERENT WAYS, BUT I THINK WE SEE THAT NOT AS A
DEVELOPED/DEVELOPING COUNTRY CONFRONTATION QUESTION;
WE SEE THAT AS A GENERAL ISSUE IN WHICH MANY OF THE
PROBLEMS ARE BETWEEN TWO OR MORE DEVELOPED COUNTRIES.
FOR EXAMPLE, BETWEEN JAPAN AND AUSTRALIA THERE IS A
PROBLEM. BETWEEN THE U.S. AND CANADA THERE IS A
MUTUAL PROBLEM. IN FACT, THE U.S. HAS OVER HALF ITS
RAW MATERIALS COMING FROM OTHER DEVELOPED COUNTRIES.
SO THIS IS NOT A QUESTION OF RICH AND POOR...WE
OURSELVES ARE OPENMINDED ON HOW TO APPROACH THIS
BECAUSE WE FIND OURSELVES SCHIZOPHRENIC AT TIMES BE-
CAUSE WE EXPORT RAW MATERIALS AS WELL AS IMPORT
THEM AND WE ARE LOOKING FOR A SOLUTION THAT MAKES SENSE,
HAVING BOTH SIDES OF THE PROBLEM TO FACE.

QUESTION: O GLOBO (RIO DE JANEIRO)- QUESTION CONCERN-
ING LATIN AMERICAN REACTION TO THE TRADE ACT AND US
TRADE RELATIONS WITH LATIN AMERICA IN THE MTN.
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AMB. MALMGREN: WELL, I THINK A NUMBER OF THE LATIN AMERICAN GOVERNMENTS HAVE CHOSEN THIS MOMENT AND THIS LAW AS A CATALYST, OR AS A PLACE OR SOMETHING TO CRYSTALIZE LONGSTANDING CONCERN ABOUT TRADE POLICY...WE'RE QUITE OPEN. WE'VE TOLD ALL THE LATIN AMERICAN COUNTRIES THAT WE'RE PREPARED TO MEET WITH THEM REGULARLY, WORK ON THESE TRADE ISSUES, EXCHANGE VIEWS. I'VE MET WITH LATIN AMERICAN GOVERNMENTS IN VARIOUS FORA AT LEAST EVERY TWO WEEKS FOR THE LAST YEAR...I THINK IT'S VERY HARD TO GENERALIZE AND YOU'LL HAVE TO SEE THIS PLAYED OUT FOR A FEW MONTHS NOW TO SEE WHAT EACH OF THESE COUNTRIES REALLY IS AFTER BY WAY OF A CHANGED ATTITUDE ON THE U.S. SIDE OF CHANGE CONDITIONS. AND MY GUESS WOULD BE, FRANKLY, AS WE GET INTO THE NEGOTIATIONS AND WE GET DOWN TO BUSINESS, AND AWAY FROM RHETORIC, THAT THE INTERESTS WILL VARY AND WE WILL TRY TO DO SOMETHING FOR EACH OF THE COUNTRIES THAT CAN ARTICULATE WHAT IT IS THEY ARE AFTER.

QUESTION (BUSINESSWEEK): YOU SAID EARLIER THAT CERTAIN ISSUES MIGHT BE SETTLED REASONABLY QUICKLY AND THAT OTHER THINGS MIGHT DRAG ON. CAN YOU COMMENT ON THAT?

AMB. MALMGREN: WE HAVE BEEN TALKING ABOUT SOME OF THE KEY TARIFF BARRIER PROBLEMS FOR YEARS: SUBSIDIES QUESTIONS, THE STANDARDS CODE, GOVERNMENT PURCHASING POLICIES, ETC., THEY'RE NOT MYSTERIES, AND IT IS POSSIBLE TO NEGOTIATE OUT SOME SOLUTIONS FAIRLY QUICKLY. ON THE OTHER HAND THERE ARE OTHER QUESTIONS LIKE THE ISSUE OF ACCESS TO SUPPLIES AND EXPORT CONTROLS WHICH HAVEN'T BEEN THOUGHT THROUGH VERY FAR YET. WE ARE JUST IN THE BEGINNINGS OF INTELLECTUALLY GROPING AROUND: WHAT ARE THE PROBLEMS, AND DO THESE PROBLEMS VARY FROM COUNTRY TO COUNTRY AND COMMODITY TO COMMODITY, AND THAT WILL TAKE TIME. WHEN YOU GET INTO ISSUES OF HOW THE GATT WORKS, FOR EXAMPLE, IN LIGHT OF WHAT YOU DO ON THESE SPECIFIC QUESTIONS, THAT WILL TAKE EVEN MORE TIME.

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P 121230Z FEB 75

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 629

INFO AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

IRUDTLN/AMEMBASSY DUBLIN 425

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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PASS USIA/IWE AND IPS FOR ALLEN

QUESTION: IS THE SOVIET UNION INTERESTED IN PARTICI-
PATING IN THE NEGOTIATIONS?

AMB. MALMGREN: MY IMPRESSION IS THAT THE SOVIET
UNION IS WATCHING WITH SOME INTEREST HOW THIS UNFOLDS
AND THAT IT IS IN FLUX THINKING HOW THIS TIES IN WITH
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OTHER ACTIVITIES AROUND THE WORLD AND HAS MADE NO

DECISION, BUT THAT THE QUESTION IS BEING THOUGHT ABOUT IN MOSCOW . . . ANYBODY CAN COME TO THIS NEGOTIATION IN WHOLE OR IN PART ANYTIME THEY WISH, AND WE'RE FLEXIBLE ABOUT IT.

QUESTION: (BUSINESS WEEK): REGARDING ACCESS TO SUPPLY, WHAT KIND OF AN AGREEMENT DOES THE ADMINISTRATION FORESEE WITH ALL THE HUNDREDS OF PRODUCTS AND HUNDREDS OF COUNTRIES THAT SUPPLY THE U.S.

AMB. MALMGREN: I . . I SAY WE HAVE AN OPEN MIND NOW AND THERE IS A REASON FOR THAT . . . I THINK BASICALLY WHAT WE'RE SAYING TO OURSELVES IS, WHATEVER RULES WE COME UP WITH, WE'VE GOT TO LIVE WITH THEM, TOO. AND IT'S NOT SO SIMPLE; AND WE'D BETTER THINK THIS ONE THROUGH STEP BY STEP. NOW IN THE AREA OF GRAINS, FOR EXAMPLE, I THINK OUR FEELING IS NO ONE COUNTRY -- BECAUSE YOU DON'T KNOW WHETHER YOU HAVE DROUGHT OR NOT, OR SOMETHING ELSE, A BAD WINTER -- NO ONE COUNTRY CAN GUARANTEE ANYBODY ANYTHING. BUT WHAT YOU CAN DO COLLECTIVELY AMONG THE GRAIN PRODUCERS IS SET UP A WORLD FOOD RESERVE -- LIKE AN INSURANCE POOL. THAT APPLIES TO GRAINS, BUT IT MAY NOT NECESSARILY APPLY TO OTHER COMMODITIES. WE'RE GOING TO HAVE TO LOOK AT THE PARTICULAR COMMODITY AREAS, WE'RE GOING TO HAVE TO LOOK AT OUR OWN POSITION, WHETHER IMPORTING OR EXPORTING, IN SOME CASES BOTH FRANKLY, AND EACH OTHER GOVERNMENT IS GOING TO HAVE TO DO THE SAME. I PREDICT THAT COUNTRIES LIKE VENEZUELA WILL FIND THEMSELVES ALSO SCHIZOPHRENIC, BECAUSE WHILE THEY HAVE OIL, AS TIME GOES ON, AND WE'VE BEEN NOTICING THIS ALREADY, THEY WILL HAVE THE PROBLEM OF GETTING ACCESS TO FERROUS SCRAP, WHICH WE HAVE EXPORT CONTROLS ON, GETTING ACCESS TO CHEMICALS, FERTILIZER, PLASTICS . . . IF YOU HAVE OIL AND YOU CAN'T USE THE EARNINGS TO DEVELOP YOU'RE IN TROUBLE . . . I THINK REASONABLY CONDITIONS OF SUPPLY WILL BE DEFINED SLOWLY AND MAY VARY FROM COMMODITY TO COMMODITY. AS YOU KNOW, WE DON'T LIKE THE COMMODITY AGREEMENT APPROACH, BUT UNCLASSIFIED

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WE THINK THERE ARE WAYS SHORT OF THAT TO CREATE A DEGREE OF STABILITY AND REASONABLENESS IN THE CONDITIONS OF TRADE.

Q. (LONDON TIMES): HOW DO YOU SEE THE UNCTAD PROPOSALS FOR AN INTEGRATED COMMODITIES PROGRAM IN RELATION TO YOUR NEGOTIATIONS. WILL THEY CONVERGE AT SOME POINT?

AMB. MALMGREN: IT IS CONCEIVABLE, BUT I THINK IT IS FAR TOO EARLY TO TELL BECAUSE THE UNCTAD THINKING IS VERY AMORPHOUS RIGHT NOW AND THE REACTION OF THE DEVELOPED COUNTRIES TO THIS SCHEME IS VERY UNCLEAR ALSO. IT IS REALLY PREMATURE TO MAKE A JUDGEMENT ON WHETHER THERE IS CONVERGENCE OR DIVERGENCE. I WOULD NOT RULE OUT EITHER.

QUESTION: (FRANKFURTER RUNDSCHAU): DO YOU HAVE PRECISE PROPOSALS ON REFORMING GATT RULES?

AMB. MALMGREN: YOU WILL FIND IN THE LAW TEN OR TWELVE REFORM ISSUES WE THINK OUGHT TO BE ADDRESSED. WE WILL BE FLEXIBLE ABOUT THE MEANS FOR DOING THIS. FOR EXAMPLE IT MAY BE WE CAN ACCOMPLISH A CHANGE IN THE WAY THE SYSTEM WORKS WITHOUT ACTUALLY REWRITING A GATT ARTICLE . . . WE MAY HAVE TO LOOK AT THE ARTICLES TOO IN SOME CASES. CONGRESS FEELS STRONGLY ABOUT THIS.

CONG. ULLMAN: AS IMPORTANT AS THE SUBJECT IS, IT SHOULD NOT INTERFERE WITH THE ONGOING TRADE NEGOTIATIONS. PRIORITY WISE IT MAY BE A LITTLE FURTHER DOWN THE LINE, BUT MANY OF US IN THE CONGRESS FEEL QUITE STRONGLY THAT THE GATT HAS OPERATED UNDER TOO NARROW RULES AND HAS NOT BEEN AS EFFECTIVE AS IT SHOULD IN FACING UP TO OVERALL TRADING ISSUES. THE PURPOSE IS NOT TO DESTROY GATT, BUT TO RAISE IT TO A LEVEL WHERE IT CAN BE MUCH MORE EFFECTIVE. END EXCERPTS. DALE

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Message Attributes

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